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FS SERIES #3: SUPPORTING THE ESTABLISHMENT OF CREDIT BUREAUS PRIMER

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PRIMER

CONTENTS

Acronyms	i
Definitions	ii
Introduction	iii
 Primer	 1
 Section I. Supporting the Establishment of Credit Bureaus	 1
A. Lessons Learned	2
A1. Legal Issues	2
A2. Secrecy	3
A3. Official Support for Creation of a CIA and CIA Laws and Regulations	4
A4. Reporting Threshold for a Public CIA	5
A5. Private CIA Ownership	5
A6. Public CIA Ownership	6
A7. Public Versus Private CIAs	6
A8. Mandatory versus Voluntary Data-Sharing: Timing of CIA Creation	8
A9. Positive and Negative Information	10
A10. Study Tours	10
 Section II. International Experience in Credit Bureaus and Lessons Learned	
A. Jordan	12
B. Kazakhstan	13
C. Ukraine	15
D. Albania	16
E. Azerbaijan	19
F. Egypt	21
 Annexes	
A. References	25

ACRONYMS

AMFA	Association of Microfinance Companies
CBE	Central Bank of Egypt
CIA	credit information agency
EGAT	Economic Growth, Agriculture, and Trade
EOI	expression of interest
FIRST	Financial Sector Reform and Strengthening
FS Share	Financial Sector Knowledge Sharing Project
IFC	International Finance Corporation
MFI	microfinance institution
NBA	National Bank of Azerbaijan
NBK	National Bank of Kazakhstan
RFP	request for proposals
SMEs	small- and medium-sized enterprises
USAID	United States Agency for International Development

DEFINITIONS

Central bank credit registry: A repository or database of records of individuals' identifying demographic attributes and the payment history and manner of repayment of all their credit obligations. These records are supplied by banks and other financial institutions supervised by a central bank and placed in a database in the central bank's head office or at a location chosen by the central bank. A central bank credit registry can be classified as a credit information agency.

Private credit bureau: Similar to a central bank registry except that it contains broader information including, information from non-bank financial institutions and other financial institutions not supervised by a central bank. It also contains information from public court records, collateral registries, land title registries, corporate registries, bankruptcies, and other sources of credit related information. A credit bureau offers products and services not available from a public registry. A credit bureau is normally a for-profit business, and data contribution is voluntary from data providers, unless otherwise prescribed by law. It also can be classified as a credit information agency.

INTRODUCTION

The United States Agency for International Development (USAID) Bureau for Economic Growth, Agriculture, and Trade (EGAT) created the Financial Sector Knowledge Sharing Project (FS Share) to collaborate with USAID missions to develop effective and efficient financial sector programs that increase access to financial services and develop well-functioning markets worldwide. USAID awarded Chemonics International the FS Share delivery order under the Financial Sector Blanket Purchase Agreement. The three-year period of performance for FS Share runs from July 2008 through July 2011.

Through the FS Share task order, USAID/EGAT and Chemonics proactively collaborate with missions to identify financial sector priorities and develop strategies and programs to grow the financial sector. FS Share identifies financial sector best practices and aggregates them through technical briefs, model scopes of work, diagnostic tools, best practice case analyses, and other tools. These technical deliverables are disseminated to USAID missions to integrate into financial sector programming. On a case-by-case basis, FS Share can assist with implementation and connect mission staff to external resources on best practices. In response to mission demand, FS Share delivers presentations and other knowledge-sharing endeavors.

Objective of this FS Series

This FS Series provides a comprehensive review of three models to support the establishment of credit bureaus: a public sector registry, a private credit bureau, and a hybrid model that supports transitioning existing public registries to potential privatization. The FS Series includes a primer and three model scopes of work and diagnostic checklists, designed to be blueprints for U.S. government program designers who are implementing financial sector development projects aimed at establishing or enhancing existing credit information bureaus. The series also provides illustrative laws used to establish private credit bureaus in India, Kazakhstan, and Ukraine, and a business plan for establishing a best practice credit bureau in Ukraine. **This is the primer.**

The FS Series was prepared by Jim Aziz of Baja Group Consultants and Cassandra Cooper for Chemonics International.

FS Share Rapid Response Hotline

For assistance addressing questions about establishing credit bureaus, contact FS Share Project Manager Roberto Toso at 202-955-7488 or rtoso@chemonics.com, or Deputy Project Manager Melissa Scudo at 202-775-6976 or mscudo@chemonics.com. To access the FS Share task order and EGAT assistance on any mission financial sector program, scope of work, or procurement question, contact:

FS Share COTR William Baldridge	wbaldridge@usaid.gov	202-712-1288
FS Share Activity Manager Mark Karns	mkarns@usaid.gov	202-712-5516
FS Share Activity Manager Christopher Bartrop	cbartrop@usaid.gov	202-712-5413
FS Share Activity Manager Anicca Jansen	ajansen@usaid.gov	202-712-4667
Supervisory Team Leader Gary Linden	glinden@usaid.gov	202-712-0128
EGAT/EG Office Director Mary Ott	mott@usaid.gov	202-712-5092
Contracting Officer Kenneth Stein	kstein@usaid.gov	202-712-1041

SECTION I. SUPPORTING THE ESTABLISHMENT OF CREDIT BUREAUS

Fast growing economies are partially driven by the availability of credit and the need to have comprehensive, timely, and accurate information on potential borrowers available to lending institutions.

Credit information agencies (CIAs)¹ can provide a significant advantage in expanding a market's financial sector and a country's economy by providing new or enhanced borrowing opportunities to individuals, microfinance institutions (MFIs), and small and medium enterprises (SMEs) that have previously been ignored or marginally served in the credit market. Many of these potential borrowers lack tangible security that would be used for credit collateral and are, therefore, less likely to be able to obtain credit. Credit reporting can help them create "reputation collateral" and by extension, increase their borrowing opportunities among lenders.

Credit reporting has strengthened financial systems by lowering transaction costs, reducing delinquencies and write-offs, improving response time to credit requests, lowering borrowing costs, and increasing availability of credit. Lending institutions — especially banks — thirst for comprehensive credit information from centralized sources and understand the value of a CIA. Credit reporting has also proven to be an effective tool to enhance the stability of banking systems and allow central banks to more closely monitor credit risks in supervised financial institutions.

Public CIAs are normally owned by a country central bank, while private CIAs are owned by the private sector. Currently, 107 of the 192 (55.7 percent) member countries of the United Nations are served by some form of CIA: 43 are served only by private CIAs; 33 have only public CIAs; and 31 have both private and public CIAs.² Neither public nor private CIAs dominates because each country is different and requires its own approach. Each country must be individually analyzed to determine why one type of agency was created over another. Where comprehensive analysis has been completed, no clear pattern emerges regarding the preference of one type of CIA over another.

For borrowers, a CIA represents what they do, rather than who they are. The information in a CIA database demonstrates how borrowers repay their credit and how active they are in the credit market as it relates to their indebtedness. Best practice does not allow information related to race, creed, color, ancestry, ethnic origin, religion, political affiliation, state of health, sex, or criminal record to appear in a CIA database. A successful CIA is populated with as much credit experience data as possible. The more comprehensive the information, the more effective the CIA will be. Best practice requires that both positive and negative credit information be included in all successful CIAs.

¹ The term *credit information agency* will be used in this document instead of *credit bureau* to include publicly operated credit registries.

² World Bank, *Doing Business 2009*, and Margaret Miller, "Credit Reporting Systems and International Economy."

Before attempting to create any type of CIA, especially a private CIA, one must understand that the process is costly, time consuming, and fraught with challenges. Owners of a private sector CIA must be prepared to incur significant costs before the registry can generate any income. They must have patience and “deep pockets” to see the project through to completion. Building a private CIA is not a simple process. The construction process is tedious and must be completed in a specific order. Private CIAs have failed due to lack of funds, impatience with the process, inability to address secrecy issues, failure of key data providers to provide their proprietary information, and lack of framework legislation, among other issues. In the case of a public CIA, a central bank has the power to mandate the sharing of information, but the cost factor must be considered, as well as legal and secrecy issues. In a number of situations, there are delays in mandatory data contribution to the CIA by banks because their antiquated systems needed to be upgraded to provide comprehensive, timely, and accurate information.

The task of creating either a public or private CIA is challenging and usually requires assistance from international experts. Recently, however, a number of public and private CIAs have been created with an understanding and commitment to the process, teamwork, determination, and international expertise. This technical brief provides information on experience gained and lessons learned from different countries’ attempts to establish a public, private, or hybrid CIA. The brief also provides case studies on the creation of private CIAs and public CIAs being prepared for privatization, and focuses on several major areas requiring discussion when consideration is being given to the creation of a credit information registry.³

A. Lessons learned

A1. Legal Issues

Public CIAs. If a central bank chooses to create a CIA, it must have the authority to do so, which is normally provided by the law or act that legalizes a central bank and its powers. Under central bank laws, the financial institutions under their jurisdiction are required to provide information mandated by the central bank in order to receive a license to operate. Those financial institutions normally conduct the majority of credit activity, both to individuals and businesses. The central bank mandates that the financial institutions under its supervision provide proprietary credit information to its CIA. This information would be available for CIA users as they investigate credit applications.

Along with the authority to mandate reporting of information to a public CIA, regulations must be established that outline the operation of the public registry, the detail of information to be submitted, the conditions under which information may be accessed, and other conditions that may be unique to a country. Albania, Montenegro, and Bhutan have recently created public CIAs and have adjusted their central banking laws to do so. Every country with a public CIA has both the authority to establish the public CIA and to put regulations in place.

³ Unless otherwise identified, the research on international cases has been experienced by the author.

Private CIAs. Before a private CIA can be created, a CIA law must be passed. Investors are unwilling to invest in a private CIA unless a legal framework and operating rules have been established and they are satisfied that their business can operate within these rules while ensuring the CIA can be self-sustaining. The thrust of a law is threefold: to provide certainty to potential owners; to ensure the safety of data provided by data providers; and to provide individual rights and protections. The law provides conditions for the reporting, maintenance, and distribution of information, which is important to potential providers whose proprietary data would be given to the third-party private CIA. If providers are not comfortable with the law or regulations, they would be reluctant to provide their information, reducing the value of the CIA. Normally, a law does not require financial institutions to provide information to a private CIA,⁴ so contribution is voluntary. The law should also provide for rights and protections for individuals.

The successful creation of a private CIA follows the creation of a CIA law and its regulations. There have been instances when a private CIA project failed due to a lack of a CIA law. Examples include Jordan and initially Kazakhstan. In the case of Kazakhstan, the creation of the registry was put on hold until the law was drafted and passed. During the last three years, laws have passed in Russia, India, and Ukraine, and there is now an active private CIA marketplace in each of these countries. Laws are in place in Angola, Lesotho, Jordan, and Tanzania as they await the possible creation of private CIAs; and laws are under consideration in Bhutan and Azerbaijan.

A2. Secrecy

The main benefit of a CIA is the ability to share credit information among lending institutions. In a number of countries, secrecy laws restrict the sharing of credit information, and these restrictions must be addressed before creating a CIA. Central banks are empowered to mandate that credit information from financial institutions under their supervision be provided to their CIAs. Beyond that, in many countries, the information is not allowed to move beyond the central bank, which means that other supervised financial institutions that are entertaining credit applications are not allowed to obtain information from the public CIA to determine if their applicants have credit experience or outstanding debts with other supervised financial institutions. In the past if a secrecy provision was in place, many central banks would not entertain bank requests for credit information because the public CIA information could only be used to monitor credit within the banking sector and information could not be shared with banks.

With the assistance of international experts, central banks have been encouraged to address the secrecy provisions, and the results have been positive. In Egypt, a provision was added to banking laws allowing for the exchange of information between banks with the central bank as the facilitator. Prior to the change, the central bank only provided aggregated, rather than detailed, information to banks. In Albania, a banking law was passed that allows for the exchange of information. Kazakhstan, Ukraine, and Russia each have laws that allow for the exchange.

⁴ Russia and Kazakhstan are two exceptions and they are discussed later in this brief.

“Consent clauses” have also been introduced that allow a borrower to sign a statement that they consent to the sharing of their information between financial institutions, as well as their lending institution sharing the borrower’s credit experience with a CIA. In some countries, the consent clause has been introduced with new laws or amendments to existing laws. Ideally, the consent clause should be in place to provide transparency and foster individual awareness of the existence of the CIA and the fact that a borrower’s information will be a part of it. The introduction of the consent clause is normally accompanied by individual rights and protections relating to a borrower’s personal credit information.

Prior to any effort to create a CIA, all relevant laws related to secrecy and information must be reviewed to determine whether there is an impediment to sharing credit information. If so, it must be resolved as soon as possible.

A3. Official Support for Creation of a CIA and CIA Laws and Regulations

When a central bank decides to create a public CIA, it must commit to providing financial and other resources. Central banks often need international technical expertise to create a roadmap for the registry and to offer guidance on how to address legal issues. In some countries, other government agencies, including the parliament, may provide input in the legal process. International experts may also educate central bank officials on the need for certain legislation to help ensure that it will be passed. For example, if secrecy issues need to be addressed by the introduction of a consent clause, there may be a need to educate those responsible for passage of legislation that will authorize its use.

It is advisable, when possible, to make necessary changes to regulations rather than to existing laws or to create new laws to address any legal issues. Regulatory changes are made internally and can be completed more quickly. Changes to laws and creation of new laws take more time because they require debate and because there is inherent uncertainty as to whether the law will pass and the priority the government may assign to it.

Central banks have the power to require that best practice credit information be provided by the financial institutions they supervise. Any regulations should include a mandate to report best practice information, the detail of that information, and the appropriate data reporting format. The passage of best practice legislation to create the framework for a private CIA market could take two years or more, depending on support from government officials. Because of this potential timeframe, passing legislation must be the first step in any effort to create a private CIA, and central bank support for this type of legislation is especially important.

Every effort should be made to educate and bring on board all stakeholders to ensure that potential roadblocks to legal and/or regulatory change will have the support of those making the decisions to approve the regulations or pass legislation. At the same time, there should be a thorough analysis to determine the most efficient way to create the legal environment for both public and private CIAs and reach agreement on the results of the analysis by relevant parties.

A4. Reporting Threshold for a Public CIA

The primary purpose of a public CIA has been to monitor and supervise the banking sector to keep it safe and maintain its integrity through a mix of risk-based and inspection-based supervision. Many central banks that maintain a CIA have focused on large-balance credits, which account for the largest percentage of credits issued in the banking sector. This has been done by implementing a reporting threshold. Only credits above a certain monetary value are reported to the public CIA. When the balance falls below the threshold, banks are not required to continue to report the credit information.

Making credit data available to banks has provided a secondary purpose for public CIAs. For a registry to work properly, the database must have complete data on all outstanding credits. Access to this level of detail empowers users with comprehensive debt information and allows borrowers to be recognized for their repayment habits. Anything less diminishes the value of the registry.

Recently created public CIAs have all credit information reported to them and have no thresholds. These include CIAs in Albania, Montenegro, East Timor, and a proposed public CIA for Bhutan. The central banks of several countries, including Azerbaijan, Egypt, Palestine, and Yemen, have eliminated the reporting threshold and place all credit information from financial institutions they supervise in the registry database. The chart below shows data from three countries that had reporting thresholds in 2006 and compares the number of credits reported to the registry with the total number of credits in each country's banking sector. In two cases, more than 88 percent of borrowers did not have their information reported, and in the third case, 50 percent of borrowers did not have their information reported. The incomplete data restricts a growing retail credit market because it fails to provide lending institutions with necessary information and fails to reward borrowers with good repayment habits by not making their information available.

Country	Number of Registry Credits	Total Number of Bank Credits	Total Number of Missing Bank Credits	Percentage of Credits Missing
Azerbaijan	80,000	158,000	78,000	50
Yemen	8,000	65,000	57,000	88
Palestine	12,000	158,000	146,000	92

If a project is charged with creating a new public CIA or privatizing an existing CIA, all credits should be reported and reporting thresholds should be eliminated.

A5. Private CIA Ownership

In a number of countries, attempts to create a private CIA have failed because of ownership issues. However, joint ventures between several partners have proven effective

when the majority of the venture ownership is based locally and international expertise⁵ in constructing and managing a private CIA is offered minority ownership. The international operator brings experience in building a CIA, and its investment as minority owner solidifies its commitment to the success of the construction of the CIA. In addition, experience has shown that local ownership contributes to the successful creation of private CIAs because local parties tend to have high-level business and government contacts who are invaluable in navigating obstacles.

In contrast, when majority ownership is based outside the country, success has not been achieved. In Section II, “International Experience in Credit Bureaus and Lessons Learned,” we discuss a case in Jordan where lack of local ownership was a key factor in the failure of the CIA initiative. Recent successful joint ventures have been identified in Russia, Ukraine, India, Kazakhstan, and Egypt. In each of these countries, some of the country banks are majority owners, while international operators with expertise in building and managing private CIAs are minority owners. There are other ownership options, but in practice this structure seems to be the preferred option.

A6. Public CIA Ownership

For public CIAs, ownership is always completely vested in a public agency, which in most cases is the country’s central bank. There is no public CIA with any ownership interest from the private sector.

A7. Public versus Private CIAs

As previously noted, there is no standard reason why a country might have a public CIA rather than a private CIA. Countries with large populations either have a private CIA or are in the process of creating one. Recent examples include Russia (population 140 million), India (population 1.1 billion), Ukraine (population 46 million), and Egypt (population 81 million). But this is the case only if there are investors interested in investing in a private CIA and if there is a growing credit market. Other countries with large populations have only public registries because they have a limited number of credit users and a private CIA would not be sustainable. Examples of such countries include Sudan (population 40 million) and Iran (population 65 million).

China, with the world’s largest population of 1.3 billion, has a recently created central bank CIA that contains records on 600 million individuals and 13 million enterprises.⁶ There are several reasons that China has a public rather than private CIA. The cost of creating a public registry was lower than the substantial cost of building a private CIA. Also the voluntary data contribution is likely to be slow, but the Bank of China can mandate reporting, giving the bank the ability to bring the CIA to market much sooner to address the surge in the demand for credit. In China, efforts have been extended to create a private CIA, but they have been limited to one or two major cities and the data is only for inhabitants of those cities.

⁵ International operators include Experian, Equifax, and TransUnion, which have worldwide presence. Regionally, international operators include CreditInfo and CRIF.

⁶ Bank of China Deputy Governor Su Ning, speech at the Launch of National Credit Education Month, May 31, 2008.

Public CIAs were originally created to assist with banking supervision, while private CIAs were created by the marketplace to share credit information and develop products and services to assist credit grantors in extending credit in profitable and growth-oriented manner. During the past few years, due to demand from the marketplace and with a lack of a private CIA, central banks have stepped in to meet the demand by making the credit information in their CIAs available to financial institutions under their supervision.

Opinions vary on whether a private or public CIA makes sense for a country. A thorough analysis of local circumstances, along with a comprehensive dialogue with local stakeholders, will normally crystallize the solution. A public CIA takes much less time (as little as 16 months in the case of Albania) to complete, while a private CIA takes anywhere from four to five years to be developed. A strong market demand for an immediate solution might dictate that the public CIA is the correct solution — if the central bank is inclined to move forward on this type of project. Recently, the central banks of Zambia, Moldova, and Lesotho have been unwilling to create public CIAs, despite recommendations during the past three years. As of the writing of this technical brief, they do not have a CIA of any type. In fact, based on statistics from the World Bank's *Doing Business 2009* report, more than 80 countries have neither a public nor a private CIA.

It has been proven that both public and private CIAs can coexist and can support each other in the marketplace. Although a public CIA is not a substitute for a private CIA, sometimes the sophistication and quality of a public CIA can discourage investors from creating a private CIA. For example, efforts to develop a private CIA in Malaysia have been unsuccessful because of the quality of the Bank of Malaysia's public CIA. In other cases, a public CIA is created to fill a need and is eventually privatized, which has occurred in Kazakhstan and is underway in Egypt and Azerbaijan. In many cases, a public CIA is the only option for a market that wishes to have a CIA established. Whichever type of registry is created, there must be a commitment to replicate best practices to ensure that users are well-served. The table below provides a comparison of public and private CIAs.

Subject	Public CIA	Private CIA
Primary function	Banking sector oversight Recent secondary purpose to provide credit data to supervised financial institutions	Provide lending institutions and other qualified users with timely, comprehensive, and accurate credit information
Coverage	Limited to banks and other supervised financial institutions	Broad market coverage for any user with permissible purpose
Sources of Information	Banks and other supervised financial institutions	All credit grantors; public record; collateral, land title, and corporate registries; and other sources that have information related to

Subject	Public CIA	Private CIA
		borrowers' paying habits
Compulsory Participation	Yes	No
Flexibility	Unlikely	Yes, as a response to client needs
Products	Limited	Many, including credit scoring, fraud detection, and others as needed in the marketplace
Response to Market	Reactive, if at all	Proactive to meet needs of users
Consumer Rights and Protections	Not usually, unless data privacy laws cover government bodies	Normally mandated by law
Fee for Service	Unlikely	Yes
Reporting Threshold	Possibly	No
Positive and Negative	Normally	In most circumstances

A8. Mandatory versus Voluntary Data-Sharing: Timing of CIA Creation

If mandatory credit data contribution to a CIA is required, the database will be created much more quickly than if data is contributed voluntarily. Public registries have been created in as little as 18 months, while the norm for private CIAs is four to five years. Voluntary data contribution is one of the factors that extend the timeframe. Some of the reasons for delays in voluntary contribution to a private CIA include competition among potential data contributors, security concerns, lack of trust, and a “wait and see” attitude. For a private CIA, success is determined by the percentage of market credits housed in its database.

For a public CIA, the data contributors are financial institutions supervised by a central bank, which makes it simple for the central bank to mandate contribution of credit data. For a private CIA, data contribution is normally voluntary. There are two exceptions with different results. In Russia, the Credit Histories Law, which requires all banks to report their credit information to at least one credit bureau, was passed in December 2004 and went into effect in March 2006. Although banks did not conduct all lending activity in Russia, they handled the vast majority of credit.

Mandatory contribution to a private CIA made sense for Russia, but in reality it has not worked. The norm for the more than 1,000 banks in Russia is to report to only one of the 20 private CIAs (most of them at least partly owned by commercial banks). This fragments the market in the sense that a borrower could have outstanding credit with several banks, but each bank may report to a different private CIA. Each private CIA has different information and is required to provide Russia's central bank with identifying information on the subjects of credit histories housed in their databases. The central bank

then provides access to its database in which private CIAs have information stored on each borrower. CIA users then have to add an extra step to their investigation process by first contacting the Bank of Russia to determine if their credit applicant has any recorded credit and, if so, which CIA has the information. Then they have to contact each CIA that has information on their applicant. The system has no checks and balances to ensure that private CIAs follow the law in reporting all borrowers housed in their databases to the Bank of Russia. So there is no guarantee that credit information is being reported to any of the 20 private CIAs⁷.

The theory of mandatory reporting by banks to a private Russian CIA was good, but the practical application has been fraught with problems. It will be few years for the problems to be worked out, which normally happens as the industry consolidates.

In Kazakhstan, the law mandates not only that all banks must contribute to a private CIA, but also that the private CIA must be checked for each legitimate credit application submitted to a bank, ensuring regular transaction activity from which revenue is derived. In contrast to Russia, though, there is only one private CIA in Kazakhstan, so all bank information is placed in one database. There are only 37 banks in Kazakhstan, of which 7 are shareholders in the private CIA; the rest of the banks have no aspirations to start a second private CIA. CreditInfo, the international operator, maintains minority ownership. In both countries, banks conduct most credit activity, so with the mandate for them to report their information, the market is well-served if there is no fragmentation. Of note is that the mandatory reporting of credit information is limited to banks.⁸

If there is only one private CIA, then mandatory submission of bank credit information will work. If there are many private CIAs, then the market data will be fragmented and difficult for users to access in the aggregate.

One successful method for private CIAs to obtain voluntary information is reciprocation. In the credit reporting industry, this means that an entity is only able to request information from a CIA when it contributes its proprietary credit information. If it does not contribute, it will not have access. If the information in a private CIA's database is perceived to have value, companies will contribute credit data to obtain access. The reciprocation approach has another benefit: It brings confidence to other credit data providers that their competition will not have access if they do not provide credit data. In summary, if there is an urgent need for a centralized CIA in a country, the first step is to determine whether a country's central bank is interested in housing the information. Although the central bank might prefer the creation of a private CIA, it may also understand the urgent need and take the mid- to long-term view that its registry could eventually be privatized, as has been the case in Kazakhstan and Egypt and will likely occur in Azerbaijan and Bhutan.

⁷ Information from presentation by Alexander Pruzhinin of the National Bureau of Credit Histories, a Russian private CIA.

⁸ Information confirmed by Javier Piedra, board member of the First Credit Bureau, Kazakhstan's private CIA.

A9. Positive and Negative Information

A best practice for any CIA database is to have both positive and negative credit information. Negative information reflects any past due or defaulting borrowers.

In many countries, there have been efforts to restrict credit information to negative only credits, which is sometimes referred to as “blacklisting.” In those countries without any type of CIA, it is likely that a blacklist might be maintained at a central bank or that banks might share this information with each other.

When one considers that there are many more borrowers who handle their credit responsibly than those who do not, it would seem they should be rewarded for their responsible paying habits. If a credit grantor could determine that a new or current applicant has established a proper payment record with others, then that the individual would qualify for a higher credit limit and a longer credit term. In mature markets, empirical evidence shows that better quality credit risks qualify for reduced interest rates, which also allows for higher credit limits. Experience has proven that the possibility of higher credit limits, lower interest rates, and a positive notation in an individual’s credit file are incentives for individuals to handle their credit obligations properly, assuming a record of their payment behavior is available to lenders through a CIA. By the same token, individuals with poor credit records are less likely to obtain credit, and if they do, it would be for lower amounts at higher interest rates because they are greater credit risks.

There are at least two exceptions to the best practice. France’s central bank has maintained a public CIA for more than 60 years, and in spite of pressures from many sources, they continue to have a “negative only” database. There is no private CIA in France, and in spite of recent efforts to create one, authorities will not allow it. Likewise, in Australia, private CIAs are only allowed to include negative information. Again, there have been unsuccessful efforts from many quarters to have this restriction changed.

In a study covering 43 countries, it was estimated that the sharing of positive credit information reduced risk by between one-third and one-half.⁹

According to best practices, both positive and negative information should be included in a credit registry so borrowers with good payment records will benefit with lower interest costs; those with poor payment records will be exposed and either denied credit or required to pay premium interest rates.

A10. Study Tours

Especially in the case of a public credit registry, a best practice is to have central bank officials visit other countries that have active public CIAs to gain an understanding of issues to be addressed, how they were addressed by the respective central banks, and other information relevant to construction and management of a public CIA. Even in the

⁹ Japelli, Tullio, and Pagano, “Information Sharing in Credit Markets: The European Experience,” Center for Studies in Economics and Finance Working Paper #35, University of Salerno, 2000.

case of private credit bureaus, it would be appropriate for government officials to visit credit bureaus in other countries to learn how they operate, how they are regulated, how individual rights and protections are administered, how technical issues are addressed, and how ownership structures are facilitated. There is no substitute for this type of training and knowledge gathering and, without exception, all countries where the author has been engaged in providing technical assistance, study tours have been successful and endorsed by central bank officials.

SECTION II. INTERNATIONAL EXPERIENCE IN CREDIT BUREAUS AND LESSONS LEARNED

This section describes experiences from six countries that have attempted to create private credit bureaus, create public credit registries, or prepare public credit registries for privatization. The examples provide the history of each project, results, current status, and lessons learned.

A. Jordan: Access to Microfinance and Improved Implementation of Policy Reform (AMIR) Program (USAID), 1999-2002

Conditions at the Outset of Project

- The Bank of Jordan's public credit registry began in 1966 and required that banks under its supervision report all active credits with balances above a specific threshold amount and report details of loan loss provisions.
- Banks voluntarily reported to their banker's association details about returned checks, and the association would add the names of issuers to a list of returned check issuers. The association would periodically provide banks with names added to the list. In 2000, the Bank of Jordan undertook to assume the Banker's Association's role.
- No private credit bureau and no credit reporting law.
- No specific counterpart for the project, which was a component of the AMIR program.

Actions Taken

- September 1999: Banks and other credit grantors reached a consensus that a credit bureau was necessary and should be established.
- October 1999: Roundtable presentation to banks and other credit grantors gained "philosophical" support for providing key credit information to a private credit bureau as a necessity for success.
- January 2000: Drafting of credit bureau legislation begins.
- January 2000: Request for expression of interest (EOI) placed in local press.
- April 2000: Meetings with best candidates who responded to EOI; international consultant provides input for draft credit reporting legislation.
- May 2000: Interviews with 60 companies as possible participants in private credit bureau.
- April – July 2000: Feasibility study, business case, marketing plan, and financial projections completed; recommendation made for local ownership.
- October 2000: Workshop to present request for proposals (RFP) based on work completed for ownership of credit bureau.
- Quarter 1, 2001: Saudi consultancy firm wins RFP to own and build credit bureau and is provided with all materials created by the project. Saudi firm has no local ownership.

Results

- Saudi firm engages CRIF (an Italian credit reporting company) to handle construction of credit bureau database.
- Temporary Law No. 82 for the year 2003 is never put into force.¹⁰
- The Saudi firm bankrupts the credit bureau because of its ongoing cash outlay and because it has no income while the credit bureau is being built. CRIF is owed money for work it has already done.

Current Status

- No private credit bureau; the Bank of Jordan's credit registry operates with a threshold.
- December 2008: USAID and the International Finance Corporation (IFC) sign agreement to establish legal framework for credit bureaus.¹¹

Lessons Learned

- The law must be in place before the credit bureau begins operations.
- Local ownership, ideally by local banks, must be in place to navigate through obstacles that occur in any effort to create a private credit bureau.
- International ownership was not fully committed to project and allowed it to fail.
- International expertise was critical to assistance with the law, feasibility study, and business and marketing plans.

B. Kazakhstan: Financial Protection Initiative¹² (USAID), 2001-2006

Conditions at the Outset of Project

- National Bank of Kazakhstan (NBK) has a public credit registry that began in 1996 and required reporting above a threshold.
- No private credit bureau and no credit reporting law.
- Governor Grigori Marchenko of the NBK is a strong supporter and provided valuable assistance to the project. The NBK is the project's counterpart.
- Banks and the Bankers' Association support the creation of a private CIA.

Actions Taken

- September 2001: Consultants engaged and complete market analysis.
- December 2001 – January 2002: Feasibility study conducted.
- Quarter 2, 2002: Activity begins to create draft credit bureau legislation.
- Quarter 3, 2002: Business plan, financial projections, and marketing plan for private credit bureau completed.
- January 2003: The first Central Asian Credit Bureau conference initiated by project is held in Almaty, Kazakhstan.
- 2002 – 2003: Negotiations with government regarding draft law.
- Quarters 1 and 2, 2004: Draft law debated in Parliament.

¹⁰ Jordan's foreign minister, Dr. Salaheddin Al Bashir, who created the original draft credit bureau legislation as a consultant for the AMIR program, has confirmed this information.

¹¹ *Trade Finance*, news release, December 4, 2008.

¹² The project was later renamed "Financial Sector Initiative in Kazakhstan."

- Quarter 2, 2004: Government officials take study tour to Experian in London.
- April 2004: Investor in-country “road show” creates interest in owning credit bureau.
- July 2004: Law passes and comes into force requiring mandatory reporting to a private CIA by banks and mandatory CIA check by banks on all legitimate credit applications.
- July 2004: The First Credit Bureau, owned by banks, is established.
- August 2004: RFP issued for company to build registry.
- November 2004: Credit bureau law regulations drafted.
- January 2005: International technical operator selected and buys minority interest in the First Credit Bureau.
- November 2005: Operating license issued.
- January 2006: Initial credit report sold.

Results

- Law and regulations passed and in place.
- Best practice private credit bureau serving marketplace; majority ownership by banks and minority ownership by international operator CreditInfo from Iceland.
- NBK credit registry wound down and any information the national bank needs can be provided by the private credit bureau.

Current Status

- Private credit bureau is profitable.¹³
- No other private credit bureaus on the horizon; market is currently well-served.
- New products, including credit scoring, developed.

Lessons Learned

- The law must be in place before credit bureau begins operations. In the case of Kazakhstan, the project was delayed for two years while waiting for the law to pass.
- Local ownership, in this case by most of Kazakhstan banks, is the best way to ensure the success of a private credit bureau.
- Having an international operator participate in building the bureau and, in this case having a minority ownership position, ensures their commitment to and the success of building the database.
- A strong counterpart that can provide support will remove many impediments to the successful creation of a credit bureau.
- International expertise is critical to the assistance with the law, business plan, marketing plan, financial projections, and guidance throughout the process.
- Stakeholders consulted and stayed updated on activities throughout the project. This ensured ongoing support by data providers and government officials.
- The First Credit Bureau conference was an important tool to educate the local marketplace on the value of a private credit bureau and helped remove some skepticism on the part of some data providers.
- Study tour to international operator in United Kingdom educated government officials as they debated draft law.

¹³ Information provided by international operator and shareholder, CreditInfo.

C. Ukraine: Commercial Law Project and Access to Credit Initiative (USAID), 2003-2007

Conditions at the Outset of Project

- The National Bank of Ukraine maintained a public credit registry with voluntary contribution of bad debt information by banks. Banks were unsupportive and noncompliant; consequently, the registry was of no value and national bank had no interest in making improvements.
- No private CIA and no credit reporting law.
- 2002 – 2004: Several independent efforts to launch a private CIA failed.
- No support from the National Bank of Ukraine due to political instability.

Actions Taken

- April 2003 – October 2003: Draft law created by Commercial Law Centre (a USAID-funded project) with assistance from an international consultant. Stakeholder workshops were conducted in April 2003 and October 2003.
- April 2003: High-level feasibility study completed.
- 2004: Draft law including individual rights and protections debated in Parliament and in committee.
- November 2004: A new USAID project, the Access to Credit Initiative begins.
- November 2004: The World Bank and Ukraine's Ministry of Finance initiate a private credit bureau project but agreed to defer to the USAID project.
- January 2005: Consultants begin activity to create a business plan, marketing plan, and financial projections for a private credit bureau.
- January 2005: A memorandum of understanding is signed with the Association of Ukraine Banks (28 banks that had 50 percent of the marketplace activity) to assist with the creation of a private credit bureau.
- June 2005: Parliament passes credit bureau law on organization, formation, and circulation of credit histories.¹⁴
- August 2005: Detailed feasibility study, business case, marketing plan, and financial projections completed and presented to counterpart, the Association of Ukraine Banks.¹⁵
- October 2005: Workshop conducted for marketplace, including banks, leasing companies, insurance companies, government officials, and local media.
- October 2005: The All Ukrainian Bureau of Credit Histories formed with CreditInfo as partner and international operator; other owners of the bureau include banks, credit unions, financial companies, and leasing and insurance companies.
- Early 2006: PrivatBank credit bureau is formed and joined later by Experian as part owner and international operator; other owners include smaller banks and leasing companies. PrivatBank has 30 percent of Ukraine's banking market.
- July 2006: First National Credit Bureau of Histories formed with CreditInfo as minority owner and international operator. USAID's counterpart, the Association of

¹⁴ Available on Ukraine Access to Credit Initiative Web site: <http://www.atci.com.ua/Docs/Ukrainian_Credit_Bureau_Law_ENG.pdf>.

¹⁵ Available on USAID's Web site: <http://pdf.usaid.gov/pdf_docs/PNADF668.pdf>.

Ukraine Banks, is majority owner. The bureau has 32 shareholders with no single shareholder owning more than 9 percent. Subscribers include 53 banks, representing 70 percent of market, but not all report their proprietary data. PrivatBank is not a member.

- 2006: Regulations created for the law that was put into force with a six-month activation period.

Results

- Law and regulations passed and in place.
- Three private credit bureaus in operation, but there is market fragmentation because banks only report to one of three bureaus.
- Individual rights and protections in place.
- All three bureaus follow best practices.

Current Status

- Private CIA is close to profitability.
- No other private credit bureaus on the horizon; market is currently well-served by three credit bureaus; fragmentation is the central issue.
- New products, including credit scoring, developed.

Lessons Learned

- Law must be in place before credit bureau begins operations. In the case of Ukraine, this allowed for faster creation of private CIA.
- Local ownership is key to the successful establishment of a private CIA.
- Workshops are important to educate stakeholders and update them on activities.
- Having an international operator participate in building a private CIA and, in this case having a minority ownership position, ensures its commitment to and success of building the database.
- Ongoing international expertise in all areas is critical to completion of project.
- As an engaged counterpart, the Association of Ukraine Banks was important to the legal aspect of the project. The association was consulted and kept updated on activities throughout the project, which ensured ongoing support by data providers and government officials.
- Obtaining agreement of other donors to step aside and allow USAID to move forward helped avoid duplication of effort and expense. World Bank and IFC officials who agreed to delay their projects were updated on activities.
- Voluntary data contribution is a problem given that banks, which are not obligated to provide information to anyone, are only sharing with one of the three CIAs.

D. Albania: New Public Credit Registry, Bank of Albania; International Monetary Fund Project, September 2006 -January 2008

Conditions at the Outset of Project

- No public or private CIA and no credit reporting law.
- Credit market demonstrates significant growth, but banks have few facts on borrower indebtedness and paying habits.

- 1998: World Bank feasibility study for registry at the Bank of Albania; funding set aside and eventually used elsewhere.
- 2000: Association of Albanian Banks negotiates with Greek Credit Bureau to construct a private credit bureau. The deal was abandoned when it was determined that the data would have to be housed in Greece, presenting sovereignty issues.
- Quarters 1 and 2, 2006: Association of Albanian Banks reactivates CIA initiative with two options: implement a “hub and spoke” registry or build a private bureau in Albania at a cost in excess of \$700,000. Neither option was deemed acceptable. The first option brought up the same sovereignty issue as the Greek initiative, and the second option was too expensive. Commercial banks ask the Bank of Albania to create a public CIA.
- Quarter 2, 2006: The IMF commits Bank of Albania to some type of CIA as a component of Basel II.
- Quarter 2, 2006: Banks’ request for CIA and the Bank of Albania’s commitment to the IMF converge. The IMF agrees to the Bank of Albania’s request for technical assistance.
- The existing privacy law for consumer disclosure for any data maintained in a government database applies to Bank of Albania.

Actions Taken

- September 2006: The Bank of Albania is the project’s counterpart and Governor Ardian Fullani is fully engaged and provides robust support throughout project.
- September 2006: Consultant is onsite; helps to develop a roadmap and action plan for the Bank of Albania to create a public registry.
- September 2006: The Bank of Albania working group is established, is headed by the bank’s project manager, and includes the bank’s head of information technology and legal advisor.
- October 2006: Roadmap spawns task list for all departments: legal, information technology, operations, and project manager. The information technology action plan includes determination of who will build database.
- October 2006: The working group determines secrecy is an issue and must be addressed with introduction of a consent clause.
- December 2006: A law passes allowing for the creation of the Bank of Albania credit registry. Activity commences on regulation drafting. All supervised financial institutions must report all proprietary credit data in detail requested by the Bank of Albania. Individual rights and protections are identified.
- January 2007: Second consultant mission. A decision is made to outsource creation of database with a competition among three potential providers.
- Quarters 1 and 2, 2007: Bank of Albania officials embark on study visits to Italy’s private credit bureau and public registry and to Kosovo’s public registry.
- May 2007: Third consultant mission. Pro Net is selected to supply software and build database; contracts are negotiated and signed; Bank of Albania provides funding for hardware and software.
- June 2007: Launch meeting with all banks, Pro Net, and Bank of Albania officials. Construction begins.

- October 2007: Fourth consultant mission. There is a problem with banks reporting data. The governor is engaged immediately and the problem is solved.
- November 2007: Staff selected.
- November 2007: Programming and customization of software completed; data in test database.
- December 2007: User acceptance testing was successful.
- December 2008: Regulations in force, including mandatory provision of information to the Bank of Albania CIA, mandatory requests to the bank's CIA on all legitimate bank credit applications, and details of individual rights and protections.
- The working group communicated and met regularly throughout the project.
- The IMF provided technical assistance support for five two-week missions over 16 months.

Results

- Law and regulations passed and in place to operate a Bank of Albania credit registry.
- January 2, 2008: Best practice Bank of Albania public credit registry is successfully launched.
- January 29, 2008: Official launch attended by prime minister of Albania, Albanian minister of finance, Governor Ardian Fullani, IMF country representative, more than 100 stakeholders, and Bank of Albania staff. Extensive media coverage of the event, including print, radio, and television.
- Project completed in record time. All bank credits reported to the registry; no threshold.
- Bank of Albania Web site includes laws, regulations, information on individual rights and protections, and generic information related to the public registry.¹⁶

Current Status

- The registry is operating as expected, and banks are pleased with access to centralized credit information.
- The Bank of Albania has developed management reports to allow for closer monitoring of banking sector credits and to assist them as they move from inspection-based to risk-based supervision.
- There are no other private credit bureaus on the horizon; the banking sector is currently well-served.

Lessons Learned

- Strong support, commitment, and determination from the Bank of Albania governor and his team allowed for completion of project within record time while successfully overcoming a number of obstacles.
- Government support, cultivated by the Bank of Albania, allowed for law to be completed in four months.
- Creation of roadmaps and action plans provided bank officials with the correct approach to creating their registry.

¹⁶ See www.bankofalbania.org for details.

- Ongoing international expertise and support guided Bank of Albania officials during the project.
- Where a private credit bureau effort fails, a public credit registry is a sound near-to-midterm solution.
- The counterpart honored its end of the agreement to provide staff and financing, allowing the project to move forward to completion.
- The selection of an experienced software provider allowed the project to move quickly.
- Two educational study tours helped Bank of Albania officials to better understand public credit registries and private credit bureaus.

E. Azerbaijan: National Bank of Azerbaijan (NBA); SME Support through Financial Sector Development and Financial Sector Stability Program (USAID), May 2007-Present

Public Credit Registry Upgraded to Best Practice for Possible Privatization

Conditions at the Outset of Project

- No private CIA and no credit reporting law.
- 2002: World Bank provides financial and technical assistance to create a public registry.
- 2003: Public registry building begins.
- 2004: A new banking law is passed that authorizes data sharing and a new public registry.
- September 2005: Registry begins.
- NBA owns source code for database software.
- Reporting threshold in place; no management data on activity.
- Manual process to check new credit applications is time consuming.
- Association of Microfinance Companies (AMFA) would like to have their own registry or participate in NBA registry,
- NBA deputy governor is counterpart; his goal is to bring the NBA public registry to best practice in hopes that the registry can be privatized.

Actions Taken

- May 2007: NBA is counterpart and Deputy Governor Rufat Aslanly is fully engaged and supportive throughout project.
- May 2007: Study for AMFA determines they should wait for new MFI law to pass and then place their credit data in NBA public registry.
- May 2007 – December 2008: Six missions completed resulting in 99 recommendations to move the public registry to best practice in preparation for possible privatization. As of December 2008, 63 recommendations have been implemented.
- Major recommendations implemented:
 - Full time registry manager appointed and reporting directly to deputy governor.

- Existing registry regulations revised and approved by NBA management board followed by approval from the Ministry of Justice; implemented in September 2008.
- Threshold eliminated.
- Full automation for all inquiry requests.
- Guarantor information added.
- Major expansion of contributed data to meet best practice.
- Inquiry records maintained and displayed on credit reports.
- Mandatory searches by banks on all legitimate credit applications.
- Proprietary credit data transmission reduced from twice monthly to once monthly.
- New credits to be reported within two days.
- Manner of payment introduced.
- NBA Web site includes special section for credit registry.¹⁷
- Management and banking supervision reports designed.
- Additional server purchased and added to database.
- User manuals created for both users and data providers.
- Workshops and regular communication with commercial banks.
- 2008: Registry manager participates in two study tours.
- 2008: Draft credit bureau law created and ready for parliamentary introduction.
- Consultant worked with registry manager on his professional development, organizational skills, and credit registry knowledge.

Results

- Draft private credit bureau law prepared.
- Current NBA public CIA regulations revised, approved, and implemented.
- Number of credits reported to the registry has grown from 90,000 as of December 31, 2006, to 755,000 (includes 230,000 paid credits) as of December 12, 2008, which banks now have access to.
- Process in place to add 150,000 MFI credits to the NBA credit registry database when new MFI legislation is passed and put into force.
- NBA public CIA will be following best practices by Quarter 2, 2009, making it more attractive for privatization.

Current Status

- Attempting to reconcile the number of credits that banks are reporting to the NBA registry versus the actual number of credits they have in their portfolios.
- Guarantor information to be added on 200,000 borrowers.
- Need to move from dial-up access to virtual private network so that all of Azerbaijan's 534 bank branches can have direct access. Due to dial-up delays, only head offices of the 45 banks are able to request credit reports.
- Ready to begin negotiations with banks to gauge interest in privatization. Will also invite international operators to make presentations and determine their interest in ownership now that NBA public registry will follow best practices.

¹⁷ See <<http://www.nba.az>> for details on NBA credit registry.

- The deputy governor has left the NBA, but the commitment from the NBA governor and the replacement deputy governor remains firm.

Lessons Learned

- Support, commitment, and involvement from the NBA deputy governor and his team ensured the project moved forward.
- Counterparts lived up to their commitment to provide resources and funding for the project.
- Creation of a draft credit bureau law and subsequent passage will allow for privatization of the NBA credit registry.
- Necessary laws and regulations had to be changed prior to moving forward with upgrade of registry database.
- Creation of roadmaps and ongoing action plans leads to success.
- Ongoing international expertise guided NBA officials in the right direction.
- Elimination of reporting threshold allowed for significant credit data expansion.
- NBA owns software code, so it is much simpler to make changes to the database software.
- Regular communication between all stakeholders has been helpful to the project.
- Two educational study tours helped NBA credit registry manager officials gain a better understanding of public credit registries and private credit bureaus.

F. Egypt: Central Bank of Egypt; Strengthening Egypt's Credit Reporting System Project (FIRST Initiative), February 2003-November 2006

Conditions at the Outset of Project

- No private CIA and no credit reporting law.
- The central bank's registry was established in 1957 to assist banks in determining whether credit applicants are indebted to other Egyptian banks. An amendment to the law in 1973 allowed the registry to be used to determine whether other banks had instituted legal action against a borrower.
- Banks were prohibited from approving credit if a credit applicant had a delinquent credit with any bank.
- The registry was automated in 2002. The CBE owns source code for the database software.
- A reporting threshold was in place, and all banks are required to report all credits at or above that threshold.
- Due to secrecy provisions that prevented sharing of details for each credit being provided, credit information provided on successful searches showed aggregated information only on total indebtedness and number of banks owed.
- Law #88 of 2003 gave the CBE wider authority in the operation of its public registry.
- Banks were asking for more detailed credit information on bank credits from the CBE registry.
- The CBE governor seeks assistance to move the registry to a private credit bureau.
- The project's designated counterpart is Deputy Governor Mahmoud Aziz.

Actions Taken

- February 2004: Project begins (first of eight missions) with full review and initial recommendations. CBE officials plan to upgrade CBE registry to best practice with no need for private credit bureau.
- June 2004: Recommendations on hold as CBE still considering options about how to proceed.
- June 2004: CBE agrees to three-phase strategic plan:
 - Phase 1: Upgrade CBE registry to best practice.
 - Phase 2: Encourage non-bank financial institutions to establish a private credit bureau.
 - Phase 3: Merge CBE credit registry with private credit bureau.
- June 2004 – November 2006: CBE registry moved to best practice:
 - Expanded credit data.
 - Lowering of threshold in phases (due to fact that commercial bank information was incomplete and needed to be upgraded).
 - Notification and reporting of new credits by banks.
 - Automated; the registry became first totally automated department within the CBE.
 - Improved access to request reports and submit data.
- September 2004: CBE supervisory board agrees to new strategic plan.
- Quarter 3, 2004: Law changed to require that leasing and mortgage companies report to the CBE registry.
- Quarter 3, 2004: Banks are required to continue to report credits even if balance drops below threshold.
- Quarter 3, 2004: CBE now maintaining information on all paid credits in registry database.
- Quarter 3, 2004: CBE establishes sub-database of all delinquent (more than three months past due) credit card accounts regardless of balance.
- Quarter 4, 2004: Both delinquent credit card database and regular CBE database checked on all search inquiries by banks.
- December 2004: Regulations for private credit bureaus drafted that include individual rights and protections (would eventually become first consumer law in Egypt).
- December 2004: Project consultant meets with USAID, which has created a project to work with any group interested in starting a private CIA. Meeting ensures no overlap; the FIRST project focused on the CBE's public CIA, and USAID will focus on a private CIA.
- Quarter 2, 2005: An amendment to the secrecy law allows for the detail of each bank credit to be presented in CBE credit registry credit reports.
- Quarter 2, 2005: Law 93/2005 authorizes the CBE to license a private credit bureau.
- Quarter 3, 2005: The governor of CBE issues a license to a group of banks that will start a private credit bureau.
- Quarter 2, 2006: The governor withdraws license from the first group of banks due to inaction and reissues the license to second group of banks that plan to begin work on a private credit bureau.
- Quarter 3, 2006: Draft regulations now in force for private credit bureau.

- Quarter 4, 2006: Private credit bureau contracts with technical partner to construct bureau and construction begins.
- July 2008: The private credit bureau, I Score, issues its first credit report using information not provided to the CBE registry. Banks must check both databases when conducting inquiry searches.
- On each mission, the project consultant met with minister of investment to update him on the project and inform him as to where Parliamentary assistance regarding legal issues is needed.
- The CBE Educational Center developed education materials for stakeholders and the marketplace.
- Comprehensive half-day workshops, on four missions, conducted to educate stakeholders, keep them abreast of progress and changes, and provide a forum for feedback on the existing registry and what changes they would like to see.
- During the project, CBE officials visited three other countries to learn more about their public registries and private credit bureaus.

Results

- The CBE public credit registry upgraded to best practice in data, technical, and operations.
- Agreement, in principle, to eliminate threshold and add credits when commercial banks have better identifying information about borrowers.
- Broader reporting of credits; reporting expanded to leasing and mortgage companies as well as delinquent credit cards.
- From June 2004 to November 2006, number of reported credits grew from 356,000 to 847,000 with another 2.7 million credits to be added as thresholds continued to be lowered.
- Legal framework and regulations established for private credit bureau.
- Individual rights and protections introduced.
- Private credit bureau (owned by 28 Egyptian banks) established and issuing credit reports. Registry houses credit card information, non-bank financial institution information, and some bank credit information.

Current Status

- A decision must be made on whether CBE credit data will be moved to a private credit bureau database or an interface built between the CBE registry and the private credit bureau to complete inquiry searches.
- Once a decision is made on the previous point, the CBE will mandate that all inquiry searches be conducted through the private credit bureau.
- It is unlikely that any other private credit bureau will be established.

Lessons Learned

- Support, commitment, and involvement from the CBE deputy governor and his team ensured the project moved forward.
- Counterparts lived up to their commitment to provide resources and funding for the project, thereby allowing recommendations to be implemented and to move the CBE registry to best practice.

- The private credit bureau succeeded due to local bank ownership and engagement of international expertise in building the credit bureau database.
 - Laws and regulations were changed prior to moving forward with the upgrade of the registry database to allow detailed exchange of credit information and to provide framework for the creation of a private credit bureau.
 - Educational study tours were important for officials to better understand public credit registry and private credit bureau issues and how to handle them.
 - The minister of investment was an important contributor to legal changes given his understanding and commitment to project.
 - International expertise guided CBE officials as they established a strategic plan and moved their public credit registry to best practice.
 - The elimination of a reporting threshold allowed for significant credit data expansion.
 - The CBE owns the software code, so it will be much easier to make changes to their database software.
 - Regular workshops were important for all stakeholders to better understand CIAs, to learn about the CBE's progress on their CIA expansion plans, and to provide survey feedback to CBE officials. Stakeholders were part of the solution.
- Two donor agencies, FIRST and USAID, communicated to ensure their respective projects did not overlap.

ANNEX A: REFERENCES

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